

**Draft MEETING MINUTES
CITY OF MILPITAS**

Minutes of: Regular Meeting of Milpitas City Council
Date: Tuesday, April 1, 2014
Time: 6:00 PM Budget Study Session / 7:00 PM Open
Location: Council Chambers, Milpitas City Hall,
455 East Calaveras Blvd., Milpitas

ROLL CALL

Mayor Esteves called the meeting to order at 6:00 PM. The City Clerk noted the roll.

PRESENT: Mayor Esteves, Vice Mayor Polanski, and Councilmember Montano

ABSENT: Councilmembers Giordano and Gomez were absent at roll call. Councilmember Giordano came to the dais at 6:02 PM, and departed again at 6:03 PM. Councilmember Gomez arrived and Councilmember Giordano returned to the dais at 6:06 PM.

BUDGET SESSION

The City Council convened and the Mayor called the meeting to order for a budget study session at 6:00 PM.

Finance Director Emma Karlen and City Manager Tom Williams presented a general overview of the City's financial picture for the next Fiscal Year's 2014-15 budget. Total funds expected as revenue and anticipated expenditures were identified. A slight deficit would result in FY 2014-15, to be balanced via distribution of the former Redevelopment Agency tax funds.

Councilmember Giordano asked about the policy for any surplus, and what was directed last year. Ms. Karlen confirmed such funds were directed by City Council to be put toward Capital Improvement Program projects.

Mr. Williams responded the City would never get to a true surplus, with so much unencumbered on the needs list. He identified a list of 10 additional funded employee positions, along with two defunded positions. Support for an Economic Development Manager was stated by the Mayor and Councilmember Montano. Councilmember Gomez asked the cost of all new positions and Ms. Karlen responded, \$1.6 million from various funding sources, with a \$1 million cost to the General Fund. Reorganization would include a change in pre-school offering by Recreation Services, and the Public Works Inspection reassigned back to Public Works/Engineering from the Building Department.

Councilmember Gomez asked various questions about a Fire Prevention Inspector to be hired full time versus current contracted inspectors.

Costs related to the Milpitas Unified School District for services provided by the City were identified. The City Manager recommended that he write a letter for the Mayor's signature asking for 50% funding from the District to the City. Councilmember Giordano stated she was not in favor of cost sharing and wanted to continue providing these services.

Vice Mayor Polanski was moving towards approving the request for cost sharing of these services with MUSD. Councilmember Gomez wanted to have Great Mall officers fully funded first before worrying about officers at schools. Councilmember Montano agreed that MUSD should pay its 50% of the costs, as a partnership. Mayor Esteves wanted the school district to take responsibility for security on their own campuses, for example with security guards instead of police officers.

At 7:03PM, the Mayor asked the City Council to take a break from this topic and to return to it later after the regular meeting business concluded. The regular City Council meeting was called to order at 7:05 PM.

PLEDGE	Boy Scouts Troop No. 92 presented the flags and led the pledge of allegiance.
INVOCATION	Councilmember Montano offered a prayer to start the meeting.
MEETING MINUTES	<p><u>Motion:</u> to approve the minutes of March 18, 2014 City Council meeting</p> <p>Motion/Second: Vice Mayor Polanski/Councilmember Gomez</p> <p>Motion carried by a vote of: AYES: 5 NOES: 0</p>
SCHEDULE OF MEETINGS	<p><u>Motion:</u> to approve the Council Calendar/Schedule of Meetings for April 2014 (no changes)</p> <p>Motion/Second: Councilmember Giordano/Councilmember Polanski</p> <p>Motion carried by a vote of: AYES: 5 NOES: 0</p>
PRESENTATION	Mayor Esteves proclaimed “ <i>National Crime Victims’ Rights Week</i> ” April 6 – 12, 2014, accepted by Jacqueline Nguyen of the Victim-Witness Assistance Program in Silicon Valley.
PUBLIC FORUM	<p>Rob Means, 1421 Yellowstone resident, discussed a program report from an organization, on the tipping point of indicators on climate change. He quoted the IPCC, Intergovernmental Panel on Climate Change of the United Nations.</p> <p>Robert Marini, Milpitas resident, spoke on fixed rate and water rate charges for customers. He displayed his own chart with costs and charges for utility rates.</p>
ANNOUNCEMENTS	<p>Vice Mayor Polanski noted that the Children’s Theatre Program planned to hold the 2nd annual fun run/walk on June 1, 2014 to raise funds. She wanted to include this event in the 60th year anniversary events with the City as a co-sponsor.</p> <p>Councilmember Montano recently went to Sacramento workshop on water issues that was very educational. She gave staff some information on infrastructure financing and related issues.</p>
ANNOUNCEMENT OF CONFLICT OF INTEREST AND CAMPAIGN CONTRIBUTIONS	City Attorney Ogaz asked City Councilmembers if they had any personal conflicts of interest or reportable campaign contributions. No conflicts or contributions were reported.
APPROVAL OF AGENDA	<p><u>Motion:</u> to approve the agenda, as submitted</p> <p>Motion/Second: Vice Mayor Polanski/Councilmember Giordano</p> <p>Motion carried by a vote of: AYES: 5 NOES: 0</p>
CONSENT CALENDAR	<p><u>Motion:</u> to approve the Consent Calendar (items noted with *asterisk)</p> <p>Motion/Second: Councilmember Giordano/Vice Mayor Polanski</p> <p>Motion carried by a vote of: AYES: 5 NOES: 0</p>
* 3. Odor Control Report	Received the odor report update, covering February into March 2014.
* 4. Commission Appointments	Confirmed the following appointments recommended by Mayor Esteves:

Community Advisory Commission:

Appointed Van Lan Truong as a regular member to a term that will expire in Jan. 2016.
Appointed Jacqueline Holland as Alternate No. 1 to a term that will expire in Jan. 2015.
Appointed Dau Do as Alternate No. 2 to a term that will expire in January 2015.
Newly appointed Ashish Kathapurkar as Alternate No. 3 to a term to expire in Jan. 2016.
Newly appointed Ashok K. Sharma as Alternate No. 4 to a term to expire in Jan. 2016.

Economic Development Commission: reappointed Ricky Ablaza as a regular member to a term that will expire in April 2017.

- * 5. PRCRC Workplan 2014 Approved the Parks, Recreation, and Cultural Resources Commission 2014 Work Plan.
- * 6. Adopt Two Ordinances Waived the second readings of Ordinance No. 38.813 and Ordinance No. 227.6, and adopted Ordinance No. 38.813 for Zoning Definition amendments and Ordinance No. 227.6 to regulate the use of electronic smoking devices.
- * 7. Resolution Adopted Resolution No. 8355 approving and accepting the State Homeland Security Grant Program funds in the amount of \$7,700 and appropriated funds into the Fire Department operating budget.
- * 8. Resolution Adopted Resolution No. 8356 approving a Non-Exclusive Collection, Transportation, and Recycling Agreement with All Points Roll-Off, Inc. for a three-year term commencing on April 1, 2014, and authorized the City Manager or designee to extend the agreement for a maximum of two, three-year extensions.
- * 9. Resolution Adopted Resolution No. 8357 approving the sole source purchase of the CINT Commander II System and integrated VID-SA1 Tactical Video Phone from 836 Technologies for \$24,533 to be funded from the 2013 Citizen Options for Public Safety (COPS) grant.
- *10. Resolution Adopted Resolution No. 8358 approving an agreement with Invoice Cloud, Inc. for E-bill Presentment and E-Payment of utility bills for three years, in an amount not-to-exceed \$48,000, and authorizing the Purchasing Agent to negotiate and execute up to three annual renewal options in an amount not to exceed \$16,000 each year without further City Council action, except for appropriation of funds.
- *11. Street Resurfacing Projects Approved plans and specifications for Street Resurfacing 2014 and Street Resurfacing 2015, Project No. 3412, authorized advertisement for bid proposals, and approved a budget appropriation in the amount of \$5,000 from Transportation Development Act grant to the Street Resurfacing Project.

PUBLIC HEARINGS

- 1. General Plan Amendment and other actions for new Planning Development zoning Planning Director Steven McHarris explained Planned Development zoning district, and the need for a General Plan amendment and zoning ordinance amendment to create this new category, which differed from Planned Unit Development (PUD). Planned Development is a rezoning and approval is vested through land use, allowing for greater flexibility. "PD" is common in California cities as a tool for planning efforts. This concept was recommended for adoption by the Planning Commission on a unanimous vote. He identified specifics that were unique to Milpitas, such as minimum 20 acre site, but not to be applied in the Transit Area Specific Plan or Midtown Specific Plan areas.

Councilmember Giordano asked how this would have applied to the Pacific Mall project, recently approved. Mr. McHarris replied that project was consistent with current zoning, so it was not exactly applicable. He provided a potential alternate scenario.

Councilmember Montano wanted to confirm that this was not for a specific area, per se. She asked about the area across from California Circle. Mr. McHarris responded that multiple property owners could do that.

Vice Mayor Polanski wanted to know if this change would allow property owners on Main St. near Serra to use Planned Development zoning. Mr. McHarris replied that this change was actually tailored for something larger.

Next, Mayor Esteves opened public hearing.

Robert Marini, Milpitas resident, asked if it was a residential use already, whether the City could use eminent domain to take land for other uses. If lands were currently undeveloped, no switch from private to public ownership should be allowed.

Rob Means, 1421 Yellowstone resident, referred to global warming, socio-economic population shifts, etc. Flexibility in addressing challenges was always an attractive option for the city in planning for the future.

(1) Motion: to close the public hearing

Motion/Second: Councilmember Giordano/Vice Mayor Polanski

Motion carried by a vote of: AYES: 5
NOES: 0

(2) Motion: to adopt Resolution No. 8353 approving General Plan Amendment No. GP 14-0002 to create a new Planned Development Zoning District and add related policies

Motion/Second: Councilmember Giordano/Vice Mayor Polanski

Motion carried by a vote of: AYES: 5
NOES: 0

Next, City Attorney Mike Ogaz read aloud the title of Ordinance No. 38.814, "An Ordinance of the City Council of the City of Milpitas Amending Chapter 10 of Title XI of the Milpitas Municipal Code Relating to a New Planned Development Zoning District."

(3) Motion: to waive the first reading beyond the title of Ordinance No. 38.814

Motion/Second: Councilmember Giordano/Vice Mayor Polanski

Motion carried by a vote of: AYES: 5
NOES: 0

(4) Motion: to introduce Ordinance No. 38.814

Motion/Second: Councilmember Giordano/Vice Mayor Polanski

Motion carried by a vote of: AYES: 4
NOES: 1 (Montano)

2. Urgency Resolution for Development Impact Fee

Planning Director McHarris explained the need for the urgency resolution to extend the change in the Development Impact Fee for 30 days until the adopted ordinance takes effect (60 days after it was adopted in March).

Mayor Esteves opened the public hearing, and no speakers were heard.

(1) Motion: to close the public hearing

Motion/Second: Councilmember Gomez/Councilmember Giordano

Motion carried by a vote of:

AYES: 5

NOES: 0

(2) Motion: to adopt Resolution No. 8354, a second urgency resolution adjusting existing Transit Area Development Impact Fee for public infrastructure and improvements

Motion/Second: Vice Mayor Polanski/Councilmember Giordano

Motion carried by a vote of:

AYES: 4

NOES: 1 (Gomez)

Budget Study Session -
continued

Councilmember Giordano departed the meeting at 7:58 PM. Mayor Esteves announced the City Council was returning to the staff's presentation on the FY 2014-15 budget and study session.

City Manager Williams displayed a chart with figures from the Redevelopment Property Tax Trust Fund distribution (former RDA money). The City received about 16% of the total of all funds it previously would receive, while the MUSD received close to 40% and County of Santa Clara 14.3% of those funds, from property taxes.

Finance Director Karlen showed a chart of employer PERS contribution rates and the increasing costs. Next she showed medical insurance premium increases, on average 11% per year since 2002. About \$23,000 per year per employee was the cost for this benefit.

Vice Mayor Polanski inquired what if all employees were capped at a specific rate, then it increased only a percent of CPI, how would that help over the long term? Ms. Karlen agreed that could help in managing the costs for that major employee benefit.

No General Fund debt was anticipated, for a total of \$71,228,000 in the General Fund budget next year, after scaling back initial requests from all departments. Some revenues were expected to increase.

Councilmember Gomez asked specifically where new revenues would be allocated, following up on Ms. Karlen's estimate of \$4.5 million. Any revenues remaining would go to fund the CIP, as Council policy directed last year.

The Finance Director displayed allocation of a sales tax pie chart with percentages, displaying where each \$1 dollar of sales tax revenue goes. Most tax goes to the State of California, while approximately 1% came into City of Milpitas. She displayed a pie chart of revenue from base property tax, where the City received approximately 16%, while schools received the largest share of 40%. Revenue from Transient Occupancy Tax (TOT) was anticipated to increase quite a bit, with demand for hotel rooms going up.

Councilmembers remarked on library funding and hours of service to the community. Some questions about TOT revenue and the current rate (percent) of that tax was discussed. Mayor Esteves asked for a comparison with neighboring cities of TOT rates.

Staff reported there was \$32.9 million in Capital Improvement Program projects without funding that was identified for FY 2014-15 through 2018-19. The CIP was scheduled to be presented at the following Council meeting by the Director of Public Works.

Councilmember Montano inquired how was the feasibility study for a skate park coming along? The City Manager noted that the study was not a top priority in current requirements of City business. If it moved up as a priority of the City Council, staff could do that. There was some feedback that staff had gathered information on this topic.

Vice Mayor Polanski asked if there were there any upgrades for improvements at the Milpitas Community Center. The City Manager replied there were none in the CIP. With more rentals at the large room in that building, it could use upgrades with microphones

